

Message Text

CONFIDENTIAL

PAGE 01 STATE 216905
ORIGIN EB-08

INFO OCT-01 AF-10 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15 STR-04
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 XMB-02
/087 R

DRAFTED BY EB/IFD/OIA:WGBLACK
APPROVED BY EB/IFD/OIA:MPBOERNER
AF/E:KPGARLAND
AF/EP:LMWHITE
L/AF:MJMATHESON
TREASURY:HSHAPIRO
TREASURY-RGOODMAN
COMMERCE:JSEVER
AID/GC/AFR:EDRAGON
AID/GC:ADEGRAFFENREID
-----047308 101903Z /40
R 100043Z SEP 77
FM SECSTATE WASHDC
TO AMEMBASSY ADDIS ABABA

C O N F I D E N T I A L STATE 216905

E.O. 11652: GDS

TAGS: EINV

SUBJECT: MEETING OF INTERAGENCY EXPROPRIATION GROUP

REFS: (A) STATE 200126; (B) ADDIS 3815

1. SUMMARY. EXPROPRIATION GROUP MET SEPTEMBER 1 AND
DISCUSSED CONTINUED LACK OF EPMG ACTION TO RESOLVE
AMERICAN CLAIMS RESULTING FROM NATIONALIZATIONS OF 1975.
CONCLUSION WAS REACHED THAT UNLESS SOME STEP TOWARD
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 216905

SETTLEMENT OCCURS VERY SOON IT WILL BE DIFFICULT NOT TO
RECOMMEND INVOCATION OF LEGISLATIVE SANCTIONS. THERE
WAS STRONG SUPPORT FOR EMBASSY MEETING WITH FOREIGN
MINISTER (REF A) AND AGREEMENT ON ADDITIONAL TALKING
POINTS FOR USE IN PRESENTATION. ON MOSVOLD CITIZENSHIP
ISSUE, DEPARTMENT LEGAL ADVISOR'S OFFICE PRESENTED
OPINION WHICH CONCLUDED THAT THERE IS NOT SUFFICIENT

BASIS IN PRESENT RECORD TO TREAT TORREY MOSVOLD AS OTHER THAN AN AMERICAN CITIZEN FOR PURPOSES OF EXPROPRIATION STATUTES. GROUP EXPRESSED NEED FOR CLARIFICATION OF EPMG CHARGES AGAINST MOSVOLD (ETHIOPIA).

2. DISCUSSION OF LACK OF PROGRESS TOWARD SETTLEMENT OF CLAIMS UNDERSCORED FACT THAT ISSUE CAN COME TO HEAD IN OCTOBER WHEN AFRICAN DEVELOPMENT FUND (AFDF) BOARD IS TO

CONSIDER PROPOSED LOAN TO ETHIOPIA. IF CURRENT SITUATION CONTINUES EXPROPRIATION GROUP WILL HAVE TO ADDRESS QUESTION OF NEGATIVE VOTE ON PROPOSED ETHIOPIAN LOAN. ALTHOUGH USG CANNOT BY ITSELF BLOCK LOAN, NEGATIVE VOTE ON EXPROPRIATION GROUNDS WOULD BE IMMEDIATELY RELEVANT TO BILATERAL ASSISTANCE, SINCE SIMILARITY OF LANGUAGE BETWEEN GONZALEZ AMENDMENT AND HICKENLOOPER AMENDMENT (FAA SECTION 620) WOULD MAKE IT VERY DIFFICULT TO AVOID REQUIREMENT THAT AID SUSPEND BILATERAL ASSISTANCE AS WELL. THE SAME SITUATION IS TRUE WITH RESPECT TO TRADE ACT LANGUAGE ON GSP. DEPARTMENT NOTES THAT IF HICKENLOOPER IS INVOKED, NOT ONLY WOULD NEW LOANS AND GRANTS BE PROHIBITED, BUT ANY FURTHER DISBURSEMENTS UNDER EXISTING LOANS AND GRANTS WOULD BE SUSPENDED EXCEPT FOR DISBURSEMENTS TO MEET OBLIGATIONS UNDER IRREVOCABLE LETTERS OF CREDIT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 216905

3. GROUP EMPHASIZED IMPORTANCE OF INFORMING EPMG FOREIGN MINISTER OF IMPLICATIONS OF CONTINUED INACTION ON U.S. INVESTORS' CLAIMS, AS WELL AS OUR VIEW THAT EPMG FAILURE TO ACT ON EXPROPRIATION CASES IS A VIOLATION OF USG-ETHIOPIAN AMITY AND ECONOMIC RELATIONS TREATY OF SEPTEMBER 7, 1951. TREATY STATES (ARTICLE VIII, PARA 2) THAT QTE PROPERTY OF NATIONALS OF EITHER (STATE)...SHALL NOT BE TAKEN EXCEPT FOR A PUBLIC PURPOSE, NOR SHALL IT BE TAKEN WITHOUT PROMPT PAYMENT OF JUST AND EFFECTIVE COMPENSATION. UNQTE. EMBASSY MAY USE TREATY OBLIGATION AS AN ADDITIONAL TALKING POINT TO THOSE PROVIDED IN REF A FOR DEMARCHE TO FOREIGN MINISTER.

4. MOSVOLD. DEPARTMENT LEGAL ADVISER'S OFFICE PRESENTED A MEMORANDUM ON QUESTION OF TORREY MOSVOLD'S CLAIM OF AMERICAN CITIZENSHIP. MEMO CONCLUDES THAT WHILE SOME OF MOSVOLD'S ACTIONS SINCE 1960 RAISE SOME QUESTIONS AS TO HIS INTENT TO RETAIN AMERICAN CITIZENSHIP, RECENT SUPREME COURT DECISIONS AND SUBSEQUENT INTERPRETATIONS BY ATTORNEY GENERAL AND STATE DEPARTMENT INDICATE THAT BASED ON PRESENT INFORMATION, MOSVOLD'S ACTION WOULD NOT BE CONSIDERED SUFFICIENT GROUNDS FOR LOSS OF AMERICAN

CITIZENSHIP. LEGAL ADVISER'S OFFICE RECOMMENDED THAT IN ABSENCE OF FURTHER INFORMATION SUGGESTING RENUNCIATION OF CITIZENSHIP, TORREY MOSVOLD SHOULD BE TREATED AS AN AMERICAN CITIZEN FOR PURPOSES OF EXPROPRIATION LAWS. THIS RECOMMENDATION, WHICH WAS ACCEPTED BY THE GROUP, MEANS THAT OVER 50 PERCENT OF MOSVOLD (ETHIOPIA) IS U.S. OWNED. MOSVOLD (ETHIOPIA) PROPERTIES ARE THEREFORE INCLUDED UNDER TERMS OF LEGISLATION ON EXPROPRIATION. EPMG REJECTION OF MOSVOLD CLAIM THUS TAKES ON ADDED IMPORTANCE SINCE A SATISFACTORY RESOLUTION OF MOSVOLD

CLAIM WILL ULTIMATELY BE NECESSARY IF SANCTIONS ARE NOT TO BE INVOKED. GROUP AGREED THAT EMBASSY SHOULD AGAIN REQUEST EPMG TO ANSWER QUESTIONS SUBMITTED (SEE REF B)
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 216905

REGARDING REJECTION OF MOSVOLD CLAIM SINCE THIS REJECTION NOW BEARS MATERIALLY ON OUR CONSIDERATION OF PROGRESS TOWARD SETTLEMENT AND LEGISLATIVE SANCTIONS.

5. DEPARTMENT AND OTHER EXPROPRIATION GROUP MEMBERS APPRECIATE CONTINUED EMBASSY EFFORTS TO CONVEY TO EPMG THE SERIOUS IMPLICATIONS OF THEIR DELAY ON EXPROPRIATION ISSUES. VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, INTERAGENCY MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE216905
Document Source: CORE
Document Unique ID: 00
Drafter: WGBLACK
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770329-0280
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770977/aaaacnio.tel
Line Count: 144
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 56ed0d49-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 200126, 77 ADDIS ABABA 3815
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1318227
Secure: OPEN
Status: NATIVE
Subject: MEETING OF INTERAGENCY EXPROPRIATION GROUP
TAGS: EINV, ET
To: ADDIS ABABA
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/56ed0d49-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009